

Message Text

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TAGS: ENRG NZ

SUBJ: NEW ZEALAND FUEL CONSUMPTION RESTRICTIONS AND PLANS

1. SUMMARY: PRIME MINISTER (P.M.) ANNOUNCED ON DEC 3 RESTRICTIONS ON CONSUMPTION OF PETROLEUM PRODUCTS. HE STATED NEW ZEALAND FACES OIL IMPORT CUTS OF UP TO 15 PERCENT. THIS IS TEN PERCENT GREATER THAN EARLIER ESTIMATED IMPORT REDUCTION. ACCORDING TO P.M. RATIONING WOULD BE INTRODUCED ONLY AS LAST RESORT. END SUMMARY.

2. MOST NOTABLE RESTRICTIONS ANNOUNCED INCLUDE (A) BAN ON ELECTRICITY GENERATION FROM OIL-FIRED STATIONS;
B) AUTHORIZATION OF SERVICE STATIONS TO REFUSE SERVICE TO PEOPLE THEY BELIEVE TO BE HOARDING GASOLINE; (C) LIMITATION TO 1973 LEVELS OF SALE OF BUNKERING FUEL AND MARINE DIESEL AND TO SUPPLY CONTRACTED, REGULAR CUSTOMERS ONLY.
(D) RESTRICTING VEHICLE SPEED TO 50 MPH

3. P.M. ALSO ANNOUNCED LONGER TERM MEASURES SUCH AS:

A) INCREASED COAL MINING FOR ALTERNATIVE FUEL SOURCE;
B) ENCOURAGING COMPANIES REVERT TO COAL USE WITH POSSIBILITY
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OF GOVERNMENTAL ASSISTANCE IN SOME CASES;

C) POSSIBLE EXTENSION OF KAPUNI NATURAL GAS PIPELINE SO MORE COMPANIES CAN USE GAS.

4. OIL COMPANY REPRESENTATIVES IN NEW ZELAND REPORTEDLY TOLD P.M. THEY HAVE BEEN ADVISED THEIR SUPPLIES WILL BE CUT BY UP TO 15 PER CENT. P.M. VIEWS THIS AS MORE SEVERE THAN NZ COULD HAVE REASONABLY EXPECTED. HE HAS SAID THIS ISSUE BEING "STUDIED".

5. P.M. HAS ASKED PUBLIC TO TAKE OTHER STEPS TO ECONOMIZE ENERGY, SUCH AS MORE EFFICIENT USE OF VEHICLES, REDUCED USE OF ELECTRICITY TO CONSERVE WATER LEVEL IN RESERVOIRS AND LAKES SERVING POWER PLANTS FOR USE NEXT WINTER, STARTING NEXT APRIL -MAY.

6. AIR NEW ZELAND ANNOUNCED CANCELLATION OF ONE LOS ANGELES-AUCKLAND FLIGHT PER WEEK. REASON GIVEN WAS IMPOSITION OF SEVERE RESTRICTIONS ON ALL SERVICES OPERATING INTO AND OUT OF US DURING DEC. POSSIBILITY OF FURTHER FLIGHT CANCELLATIONS BEING STUDIED. DOMESTIC AIRLINE NAC ANNOUNCED CUTS IN CHARTER AND SPECIAL FLIGHTS, ADJUSTED SCHEDULES OF REGULAR FLIGHTS AND REDUCED FLYING SPEEDS

7. NZ'S ONLY DOMESTIC SOURCE OF NATURAL GAS AND CONDENSATE FOR REFINING INTO GASOLINE, KEROSENE, AND DIESEL FUEL IS THE KAPUNI FIELD ON NORTH ISLAND WHICH HAS FOUR WELLS NOW PRODUCING AN AVERAGE 90 MILLION CUBIC FEET PER DAY OF NATURAL GAS AND 7,200 BARRELS OF CONDENSATE (80 BARRELS PER MILLION CUBIC FEET OF GAS). NATURAL GAS PIPELINE EXTENDS TO AUCKLAND AND WELLINGTON. CONDENSATE SHIPPED TO MARSDEN REFINERY WHERE IT SUPPLIES APPROXIMATELY 10 PER CENT OF NZ'S NORMAL NEEDS FOR REFINING INTO GASOLINE.

8. CURRENT CALCULATIONS OF SIZE OF KAPUNI FIELD PUT IT AT 460 BILLION BTU, 84 PER CENT OVER ESTIMATES MADE WHEN PRODUCTION STARTED THREE YEARS AGO. WORK HAS STARTED ON DRILLING 6 MORE WELLS AT KAPUNI FIELD. IN THE LATE '70'S TWO MORE WILL BE DRILLED. THE 6 WELLS SHOULD BE PRODUCING BY MID-SEVENTIES. THIS WILL UP PRODUCTION TO 267 MILLION CUBIC FEET PER DAY OF GAS AND 21,300 BARRELS CONDENSATE.

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9. CONSTRUCTION OF FIVE UNIT 600 MEGAWATT ELECTRIC POWER GENERATOR AT NEW PLYMOUTH WELL ADVANCED. GNZ HOPES START OPERATING OF FIRST TWO UNITS (120 MEGAWATTS EACH) BY JUNE 1974 USING BUNKER-C FUEL AND LATER CONVERTING TO GAS FROM NEW KAPUNI WELLS TO POWER ENTIRE PLANT. GAS FROM MAUI FIELD WILL POWER THE PLANT WHEN PRODUCTION FROM THAT FIELD IS AVAILABLE IN EARLY 1980'S.

10. KAPUNI GAS CONTAINS CONSIDERABLE PROPANE WHICH IS BEING SEPARTED AND SOLD COMMERCIALY, AND BUTANE MOST OF WHICH NOW BEING USED AS FUEL AT THE KAPUNI GAS TREATMENT PLANT. MINISTER OF TRADE AND INDUSTRY HAS EXPRESSED INTEREST CONVERTING VEHICLES TO USE BOTTLED GAS.

11. ACCORDING TO MINISTER AUSTRALIA HAS GIVEN ASSURANCE IT WOULD CONTINUE SUPPLY NORMAL QUANTITY OF REFINED PETROLEUM PRODUCTS FOR NEXT TWO OR THREE MONTHS, BUT NO ASSURANCE YET ON LONGER RUN SUPPLY. AUSTRALIA SUPPLIES BULK OF NZ REFINED PETROLEUM PRODUCTS.

12. NEW ZEALAND HAS LARGE COAL RESERVES. WITH SHIFT TO OIL AND ELECTRICITY FOR POWER, PRODUCTION OF COAL MINES HAS BEEN CUT BACK. MINING AREAS NOW HOPEFUL RESURGENCE OF INTEREST EXPLOITATION COAL RESERVES. MINISTER T AND I HAS ANNOUNCED THAT NZ WILL BE PARTICIPATING WITH AUSTALIA AND JAPAN IN RESEARCH INTO HYDROGENRATION OF COAL. THIS IS A LONG-TERM PROJECT.

13. NO ANNOUNCEMENT YET ANY NEW PLANS OF GNZ FOR INCREASING PETROLEUM EXPLORATION.
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